# GOVERNMENT OF INDIA
# HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
# LOK SABHA

UNSTARRED QUESTION NO:540
ANSWERED ON:24.07.2003
REVIVAL OF HINDUSTAN CABLES UNIT
MAHBOOB ZAHEDI

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

(a) whether Hindustan Cables played a vital role till 1995-96 in manufacturing high quality telcom cables not only for Telecom system in our country but also maintenance of security in India`s defence system;

(b) if so, whether Hindustan Cables were pulled down to losses, throwing it to competition with the companies, supplying inferior quality of cables through tenders;

(c) if so, whether after 1996 the Union Government had shown lack of interest in supply of raw materials and creation of market for its cables;

(d) if so, whether Hindustan Cables executed an order in time by manufacturing 40 lakhs of C.K.M. cables during 2002-03;

(e) if so, whether government preferred closure of its units to its revival which would have been a viable industry for better quality of product to serve the telecom system and defence system as well; and

(f) if so, the details thereof and reaction of the Government thereto?

## Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SUBODH MOHITE)

(a) Hindustan Cables Limited (HCL) established in 1952 has been regular supplier of telecom cables to Department of Telecom (DOT), Bharat Sanchar Nigam Ltd. (BSNL) and Mahanagar Telephone Nigam Ltd. (MTNL) as well as to Defence organizations.

(b) HCL is competing with other cable manufacturers, in the open tenders invited by BSNL and MTNL.

(c) The Union Government have taken a number of measures to help the company; including sanction of a package of assistance in 1999 which inter alia provided for two years reservation of orders of DOT/MTNL in favour of HCL.The Government have further approved the continuance of reservation of orders till disinvestment takes place in HCL.

(d) HCL executed pending order of 40.27 lac core kilo meter (LCKM) of Poly insulated Jelly filled (PIJF) cables during 2002-03.

(e) & (f) Board for Industrial & Financial Restructuring (BIFR) has declared the company sick in its meeting held on 21.3.2003 and appointed State Bank of India (SBI) as the Operating Agency (OA).The BIFR has directed OA to undertake a techno economic viability study of the company.